

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1898 - SB 2057**

April 1, 2009

**SUMMARY OF BILL:** Requires the Department of Transportation (TDOT) to allocate a portion of the federal transportation stimulus funds directly to the state's Rural Planning Organizations (RPO's) and the state's four largest Metropolitan Planning Organizations (MPO's) based upon a proportional population based ratio.

**ESTIMATED FISCAL IMPACT:**

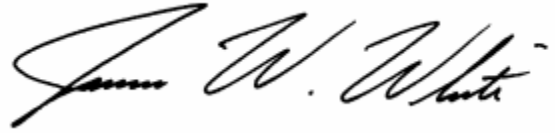
**Other Fiscal Impact – The provisions of the bill will result in a shift in expenditures from the Highway Fund to RPO's and MPO's. The magnitude of this shift cannot be quantified but can reasonably be estimated to exceed \$1,000,000. TDOT anticipates that the majority of the revenue from the stimulus funds will be allocated toward TDOT projects with bid letting for the majority of these projects occurring on May 1, 2009. The last bid letting for which the remainder of the funds are to be used is scheduled to occur June 12, 2009. TDOT indicates that stimulus funds to the Highway Fund are to be under contract by September 10, 2009 per federal directive. TDOT also indicates that the provisions of the bill do not conform with the stimulus plan requirement that these funds should be used for "shovel ready" projects rather than apportioned on a population basis and that such discrepancy may jeopardize some of the federal funds to the state.**

Assumption:

- The amount of stimulus funds available for allocation to RPO's and MPO's will depend upon when this bill becomes law relative to the scheduled bid lettings by TDOT.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/cce